



STATE OF WASHINGTON

**LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS'
PLAN 2 RETIREMENT BOARD**

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September 28, 2005

TO: LEOFF Plan 2 Retirement Board Members

FROM: Shawn Merchant, Deputy Director

SUBJECT: LEOFF Plan 2 Employer Survey Results

In response to the Board's request to gather information on the number of LEOFF 2 members contributing to Social Security, the agency conducted a survey of every LEOFF 2 employer.

The survey was conducted using a list of LEOFF 2 employers provided by the Department of Retirement Systems (DRS). A temporary staff member was hired to complete the survey at a cost of \$1,588.16. Office space was provided in the agency conference room and a computer was obtained on loan from the State Investment Board to track survey responses.

Using the list, each employer's payroll officer was contacted by telephone and asked the following questions:

- Does your organization employ police officers, fire fighters or both?
- Do you contribute to both Social Security and Medicare?
- If you do not contribute to Social Security, do you have a replacement plan?
- Do you have a "Deferred Compensation Plan"?
 - If yes, do you (the employer) contribute to the plan?
- Do you provide access to medical coverage to retired police and fire employees?
 - If yes, do you contribute to the cost of retiree medical?

Responses from all 481 employers DRS listed as LEOFF 2 employers were captured in the survey. Not all 481 employers currently employ members of LEOFF 2.

Using a separate list provided by DRS in September, it was determined that 8,730 police officers and 6,328 fire fighters are employed in the state of Washington.

Of the 481 employers, 229 employ police officers and 218 employ fire fighters. Examples of police employers include entities like cities, counties and the Department of Fish and Wildlife. Examples of fire employers include cities and fire protection districts.

Prior to the survey, anecdotal evidence existed regarding the number of employees covered under Social Security. The survey revealed the following:

- 58.53% or 5,110 Police employees are covered by Social Security.
- 6.48% or 410 Fire employees are covered by Social Security.

Some employers, 22 police and 43 fire, whose employees are not being covered under Social Security, provide some kind of replacement plan. Of those, 12 police and 19 fire employers, contribute to the replacement plan. Replacement plans vary from 457 deferred compensation plans to 401(a) plans.

Additionally, employers were surveyed on the availability of Deferred Compensation plans and employer matches or contributions to these plans. Most employers, 331 of those surveyed, offer a deferred compensation plan. Of those, 92 provide their employees with some kind of match.

It should be noted that the percentage and type of match indicates that the plan is offered as a replacement for Social Security. Some employers may have indicated that they do not offer a replacement plan for Social Security when in fact they do, through a deferred compensation program.